

**MINUTES  
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY  
OF THE REDEVELOPMENT AGENCY**

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Regular Meeting – July 2, 2013  
7:00 P.M.  
CITY COUNCIL CHAMBERS

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Mayor Pendergrass opened the meeting at 7:00 p.m.

The invocation was led by Reverend Carl Kelleher.

The Pledge of Allegiance was led by Police Chief Michael Klein.

Present: Council Member Blackwelder  
Council Member Carbone  
Council Member Hubler  
Council Member Kruper  
Mayor Pendergrass

Staff: Steve Matarazzo, City Administrator/Community Development Director  
Jim Heisinger, City Attorney  
Leon Gomez, Interim City Engineer  
Connie Horca, Deputy City Clerk  
Charles Pooler, Associate Planner

**AGENDA ITEM 4, COMMUNICATIONS**

A. Written communication distributed to the Council was a list of possible conflicts for tonight's meeting based on a Council Member's proximity to a property where a land use entitlement is proposed.

B. Oral

7:03 P.M. Floor opened for Public Comment.

There were no comments from the Public.

7:03 P.M. Floor closed to Public Comment.

**AGENDA ITEM 5, CONSENT CALENDAR**

The Consent Agenda consists of routine items for which City Council approval can be taken with a single motion and vote. A Council member may request that any item be placed on the Regular Agenda for separate consideration.

- A. There was no discussion of the June 18, 2013 Council Meeting Minutes.
- B. There was no discussion of the City **Resolution** approving a One (1) Year Agreement with the Monterey County Weekly for continued participation of Co-op Advertisements during the 2013/14 Fiscal Year.
- C. There was no discussion of the City **Resolution** authorizing award of a Three-Year Master Contract for Maintenance including Removal and Replacement of Absorption Pillows in Interceptor Tanks 1, 2, 3 and 4 in the City of Sand City to Storm Water Inspection and Maintenance Services (SWIMS).
- D. There was no discussion of the City **Resolution** authorizing renewal of a Maintenance Services Agreement with Hope Rehabilitation Services.
- E. There was no discussion of the Monthly Fort Ord Reuse Authority (FORA) Report, June, 2013.
- F. There was no discussion of the City/Successor Agency Monthly Financial Report, May, 2013.

Motion to approve the Consent Calendar items was made by Council Member Blackwelder, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. Motion carried.

#### **AGENDA ITEM 6, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR**

There were no items pulled from the Consent Calendar.

#### **AGENDA ITEM 7, PUBLIC HEARINGS**

*{A straw draw resulted in Council Members Blackwelder and Kruper stepping down from the dais due to a possible conflict of interest by residing within 500' of the subject property}*

- A. **Consideration of City RESOLUTION Approving Conditional Use Permit 564 for Kelly Edwards' Coffee Packaging and Distribution Operation at 542 Ortiz Avenue**

Associate Planner Charles Pooler presented an application submitted by Kelly Edwards to establish and operate a new coffee packaging and distribution operation at 542 Ortiz Avenue, Unit #1. The location is a two story-mixed use building with six commercial units on the ground floor and eleven residential units on the upper level. The applicant proposes to store and grind coffee beans on-site; then package and ship those items to customers via US Postal Service, UPS and/or Federal Express. Large truck deliveries are not anticipated. Intended hours of operation will be from 8:00 a.m. to 5:00 p.m., Monday through Friday. The applicant's

proposed use requires two parking spaces. There are 14 on-site parking spaces within the 20-foot building setback. This operation will have limited demand for parking as there will be no direct public service or on-site customers. Noise generated from the grinding of the beans will be similar to the coffee grinders used in Costco. Neither odors or noise/vibrations from the grinding are expected to be at a level that would be detrimental to the residential units above. Staff recommends approval of the conditional use permit.

7: 10 p.m. Floor opened for Public Comment.

The applicant, Ms. Kelly Edwards introduced herself to the Council, and commented that the business will be low key and should not pose any traffic impacts to surrounding businesses and residents. The coffee that will be ground, packaged and shipped is a 100% blend from Hawaii. Ms. Edwards confirmed that she is in agreement with the proposed conditions of the use permit.

7:12 p.m. Floor closed to Public Comment.

Motion to approve the City **Resolution** by title, approving Conditional Use Permit 564 for Kelly Edwards' Coffee Packaging and Distribution Operation at 542 Ortiz Avenue was made by Council Member Hubler, seconded by Council Member Carbone. AYES: Council Members Carbone, Hubler, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Council Members Blackwelder, Kruper. Motion carried.

*{Council Members Blackwelder and Kruper returned to the dais}*

*{Council Member Hubler stepped down from the dais due to a possible conflict with a land use entitlement located within 500' of the subject property}*

**B. Consideration of City RESOLUTION Approving Conditional Use Permit 565 for a Design Studio Showroom and Office for Anthony Spencer at 825 California Avenue**

Associate Planner Charles Pooler presented an application submitted by Anthony Spencer, proprietor of "The Design Group", to establish an office and showroom for his interior design studio at 825 California Avenue. The building is a 1-story, 2-bedroom residential dwelling, that has been vacant for several months. The showroom will be used to display materials and products. The applicant will be the only employee, and client meetings are by appointment only. Hours of operation will be 9:00 a.m. to 5:00 p.m., Monday through Saturday. The two existing tandem parking spaces are sufficient for the applicant and by "appointment only" clients. The proposed use is not anticipated to generate excessive blight or detrimental impacts. Since the location is within the South of Tioga Project area, Staff recommends approval of the conditional use permit with an approximate

one year time limit, with the possibility of ninety day time extensions thereafter.

7:18 P.M. Floor opened to Public Comment.

The applicant, Anthony Spencer thanked Mr. Pooler for putting together a thorough Staff report. He indicated that the location will be used only as an office showroom, and that he does not plan to live there. Mr. Spencer was in agreement with the conditions of the use permit.

7:19 P.M. Floor closed to Public Comment.

Motion to approve the City **Resolution** by title, approving Conditional Use Permit 565 for a Design Studio Showroom and Office for Anthony Spencer at 825 California Avenue was made by Council Member Blackwelder, seconded by Council Member Carbone. AYES: Council Members Blackwelder, Carbone, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Council Member Hubler. Motion carried.

*{Council Member Hubler returned to the dais}*

## **AGENDA ITEM 8, OLD BUSINESS**

### **A. Progress report on Public Works projects, Successor Agency Oversight Board, South of Tioga project, Coastal projects, and other Sand City community programs by City Engineer/Community Development Director/City Administrator**

City Engineer Leon Gomez reported that the desalination plant produced 18.97 AF of water for the month of June. There were 7 non-productive days last month. Cal-Am investigated the issue and believes the cause of downtime is due to a computer malfunction. Following the repair of the alarm system, the plant has been operating without incident. Mr. Gomez extended his thanks to City Administrator Steve Matarazzo for his help in the renewal process of the Phase II Storm Water Permit via the online program. He also reported on his attendance at a stakeholders meeting of the State Water Resources Control Board on behalf of Sand City. The meeting was for proposed amendments of the State of California's policy regarding desalination facilities. Proposed policy amendments would primarily affect desalination plants that produced over 5 Mgd's or 1 million gallons of water per day.

There was Council discussion regarding base line regulations of larger desalination plants throughout the State, and how it would affect marine life, the environment, and natural habitat. City Administrator Steve Matarazzo added that the reason Sand City's desalination plant received unanimous Coastal Commission approval was because the plant addressed the three main concerns of the State Water Resources Control

Board.

City Attorney Jim Heisinger reported that Staff met with the Department of Finance (DOF) in Sacramento last week regarding the audit they conducted of the Successor Agency's General Fund Assets. Discussion included bond fund proceeds that were to be retained by the City for future public projects, and monies in the Successor Agency account being held for the King Ventures proposed project, a contingency amount in the Sales and Use Tax account for the Seaside payment, and retained funds in the Real Property Tax Trust Fund for final bond payments.

City Administrator Steve Matarazzo reported that Mr. King provided additional funds to complete the Environmental Impact Report (EIR) when he heard the positive news that the court upheld the Developer's (SNG) position regarding the Monterey Bay Shores Project. The City Attorney added that the Coastal Commission has until August 10, 2013 to file an appeal.

## **AGENDA ITEM 9, NEW BUSINESS**

### **A. Upcoming Meetings/Events**

The Deputy City Clerk brought to the Council's attention the upcoming Monterey Peninsula Chamber of Commerce's 27<sup>th</sup> Annual Business Excellence Awards to be held on Thursday, July 18, 2013 at the Portola Hotel & Spa.

## **AGENDA ITEM 10, CLOSED SESSION**

7:39 p.m.

### **A. City Council /Agency Board to adjourn to Closed Session:**

1) To confer with Legal Counsel regarding pending litigation in accordance with Government Code Section 54956.9(d)(1):

- a) *Monterey Peninsula Water Management v. State Water Resources Control Board (No. M102101), and related cases*
- b) *Cal-Am Application to CPUC No. 10-04-019 for Order Authorizing Recovery of Costs for Lease and Operation of the Sand City Desalination Facility*
- c) *Seaside v. Sand City (No. M120996) and related cross action*
- d) *Local Educational Agencies' (LEAs) monetary claim to recover pass-through payments from the Sand City Successor Agency to the Redevelopment Agency*

2) Conference with Legal Counsel in accordance with Section 54956.9 of the Ralph M. Brown Act, regarding Claim against Monterey County Reimbursement of Property Tax Administration Fee

8:48 p.m.

**B. Re-adjourn to Open Session to report any action taken at the conclusion of Closed Session in accordance with 54957.1 of the Ralph M. Brown Act**

The Council received advice from the City Attorney on Items 10A1(c & d), and gave direction to its City Attorney.

**AGENDA ITEM 11, ADJOURNMENT**

Motion to adjourn the City Council meeting was made by Council Member Blackwelder, seconded by Council Member Hubler to the next regularly scheduled Council meeting on Tuesday, July 16, 2013 at 7:00 p.m. There was unanimous consensus of the Council to adjourn the meeting at 8:50 p.m.



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Connie Horca, Deputy City Clerk